MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BME2834 – MALAYSIAN ECONOMY

(Distance Education)

13 OCTOBER 2017
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 2 pages excluding cover page with 4 questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. All answers must be written in the answer booklet provided.

Question 1

a) *Malaysia's challenge today is to transform into a high-income economy via its Vision 2020 by upgrading and deepening diversification.*

Define Vision 2020. Describe any **FOUR (4)** of its objectives and discuss any **FOUR (4)** strategies of Vision 2020. (15 marks)

b) *Confronted by the pressures of a contracting global economy and the threat of being caught in the middle-income trap, in 2010 the Malaysian Government unveiled the New Economic Model (NEM) that was needed to transform Malaysia into a high-income nation by 2020.*

Discuss any **FIVE (5)** pre-NEM challenges faced by Malaysia that led to the implementation of NEM in 2010. (10 marks)

[Total marks: 25 marks]

Question 2

a) *Increasing our dependency on imported food is not a sustainable long-term strategy. The vulnerability of the country's food supply has increased as shown by the impact of recent increases in oil prices, input prices and global food prices on our domestic supply and prices of food items.*

Explain any **FOUR (4)** challenges faced by Malaysia in the midst of its growth of the agricultural sector. (10 marks)

b) *Over the years, the agricultural sector has been through turbulent times but somehow managed to adapt and evolve into a stronger sector. The supportive, proactive and benevolent government policies have complemented the sector and prepared it for the next millennium.*

Discuss any **FIVE (5) strategies** employed under Eleventh Malaysia Plan (2016 – 2020) to spur the process of modernising the Malaysian agricultural sector. (15 marks)

[Total marks: 25 marks]

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Question 3

a) *The contribution of the financial sector to economic growth is high, amounting for 11.70% to GDP as at end-2009. (Economic Planning Unit, 2011, 10MP)*

i) Differentiate between direct finance and indirect finance. (4 marks)

ii) Explain the functions of financial markets. (6 marks)

b) *Malaysia implemented minimum wage policy in 1st January 2014. This policy sets a minimum wage of RM900 per month (RM4.33 per hour) for peninsular Malaysia and RM800 per month (RM3.85 per hour) for Sabah, Sarawak, and the Federal Territory of Labuan (Bank Negara Malaysia, 2012).*

Evaluate the effectiveness of minimum wage policy in Malaysia. (15 marks)

[Total marks: 25 marks]

Question 4

a) *Knowledge has become an important producer of wealth in societies and organisations. The economic activities have evolved into a whole new era of innovative information application.*

i) What is knowledge based economy? Describe any **THREE (3)** key characteristics of the knowledge based economy. (5 marks)

ii) Discuss any **THREE (3)** challenges faced by Malaysia to build a knowledge based economy. (6 marks)

b) *The concept of Asean Economic Community (AEC), which was conceived in 2007, essentially calls for the opening up of the capital markets in the Asean countries by end-2015. The objective of this economic integration is to create a single market across the countries in Asean with the removal of all non-tariff barriers.*

i) Define economic integration. (2 marks)

ii) Discuss the **SIX (6)** phases involved towards economic integration pathway. (12 marks)

[Total marks: 25 marks]

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